United Nations A/57/678

General Assembly

Distr.: General
18 December 2002

Original: English

Fifty-seventh session
Agenda item 128
Financing of the United Nations Interim Administration Mission in Kosovo

Performance report on the budget of the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2001 to 30 June 2002

Report of the Secretary-General

Contents

		Paragraphs	Page
I.	Mandate performance	1–4	3
II.	Resource performance		12
A.	Financial resources		12
B.	Other income and adjustments		13
C.	Contingent-owned equipment: major equipment and self-sustainment		13
III.	Analysis of variances	5–19	13
IV.	Actions to be taken by the General Assembly	20	16

02-75483 (E) 170103

Summary

The present report contains the performance report on the budget of the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2001 to 30 June 2002.

Performance of financial resources

(Thousands of United States dollars. Budget year is 1 July 2001 to 30 June 2002.)

Category	*Apportionment*	*Expenditure*	*Variance*	
			Amount	*Percentage*
Military and police personnel	124 949.8	125 532.0	(582.2)	(0.5)
Civilian personnel	226 713.7	184 775.0	41 938.7	18.5
Operational requirements	48 336.5	49 941.0	(1 604.5)	(3.2)
Gross requirements	**400 000.0**	**360 248.0**	**39 752.0**	**9.9**
Staff assessment income	26 495.2	25 989.0	506.2	1.9
Net requirements	**373 504.8**	**334 259.0**	**39 245.8**	**10.5**
Voluntary contributions in kind (budgeted)	—	—	—	—
Total resources	**400 000.0**	**360 248.0**	**39 752.0**	**9.9**

Human resources incumbency performance

Category of personnel	*Approved*	*Actual (average)*	*Vacancy rate (percentage)*[a]
Military observers	38	38	—
Civilian Police	3 515	3 372	4
Formed police units	1 203	1 129	6
International staff	1 319	1 168	11
National staff	3 869	3 533	9
United Nations Volunteers	203	224	(10)

[a] Based on monthly incumbency and approved monthly strength.

The actions to be taken by the General Assembly are set out in section IV of the present report.

I. Mandate performance

1. The mandate of the United Nations Interim Administration Mission in Kosovo (UNMIK) was established by the Security Council in its resolution 1244 (1999) for an initial period of 12 months, to continue thereafter unless the Council decides otherwise.

2. UNMIK is mandated to help the Security Council achieve an overall objective, namely, to ensure the substantial autonomy and meaningful self-administration of Kosovo.

3. Within this overall objective, the Mission has, during the performance report period, contributed to a number of accomplishments by delivering related key outputs, as shown in the frameworks below.

4. The frameworks represent an improvement in objective-setting. The 2001/02 budget did not include standard frameworks for planned results, which would have been the baseline against which performance would have been measured and reported. Therefore, the Mission's performance data for 2001/02 are presented in a transitional format showing the actual accomplishments and outputs for which information was available against generic indicators and output types rather than against a baseline.

Component 1: Political

Expected accomplishments	
1.1. Ensure functioning, democratic institutions	
Indicators of achievement	*Actual accomplishments*
Political stability and democratic governance	Peaceful Kosovo-wide elections in November 2001 with the participation of all ethnic communities
	Election of the President, Prime Minister, Assembly President and Vice-presidents and 10 Ministers
Participation of political parties in the democratic process	Kosovo Assembly representing all communities elected
	Political parties routinely participating in the parliamentary process
Effective Provisional Institutions of Self-Government (PISG) throughout Kosovo	Successful transition of transferred functions from Joint Interim Administrative Structure (JIAS) to PISG
	PISG operating

Increased responsibility by municipalities for management of municipal functions	Graduated transfer of powers to elected local government officials in progress Municipal autonomy in administering municipal budget fully accomplished 20 municipal multi-ethnic committees established Complete transfer of responsibility planned to follow November 2002 municipal elections
Meaningful and equitable participation of minorities and women in the political process	Appropriate representation from minorities and women in the Assembly and municipal assemblies achieved
Output type	*Actual outputs*
Special Representative of the Secretary-General approved political, constitutional and legal programmes	Implementation of Constitutional Framework in progress JIAS reorganized into PISG structures and procedures for the operation of the Kosovo Assembly established Established PISG benchmarks for Kosovo Office of the Legal Adviser processed 45 Regulations, 35 Administrative Directions and 14 Executive Decisions
Reports to the Security Council on the status of implementation of the mandate	Four Secretary-General's reports and monthly briefings were presented to the Security Council The Chief Military Liaison Officer prepared 12 monthly security assessments
Facilitated meetings between UNMIK, the Federal Republic of Yugoslavia and regional governments	UNMIK Liaison Office established in Belgrade Five Human Rights Working Groups meetings organized with the Federal Republic of Yugoslavia and 30 lesser, but high-level, political meetings Common Document with Federal Republic of Yugoslavia/Serbian Governments concluded Routine ministerial-level contact maintained with the former Yugoslav Republic of Macedonia and Albania

Public information programmes in support of UNMIK initiatives	40,000 pamphlets explaining minority rights published
	363 posters, 154 billboards, 42,000 brochures, 55,000 booklets in support of internally displaced persons and returns published
	82 press briefings conducted and 161 press releases issued
	74,000 copies in four languages of *Focus Kosovo* magazine produced
	200 five-minute television features and 312 radio programmes produced
Issued civil documents and payment of pensions	Drafted and promulgated around 25 laws, regulations and administrative directives, including Essential Labour, Education and Environment laws
	Thousands of birth and death certificates, marriage licenses, 300,000 UNMIK identification cards, 200,000 travel documents, 200 drivers licenses issued
	50,000 vehicles registered
	Primary health services transferred
	187,000 Kosovars received social assistance for a total of €32 million from the Kosovo Consolidated Budget (KCB)
	Database of 130,000 eligible pensioners compiled
	Monthly pension payments commenced in July 2002
	Tripartite Advisory Council to ensure regular discussions between Ministry, Trade Unions and Employers Organizations established
Recruitment of senior posts in PISG completed	Regulatory framework of Civil Service legislation developed
	Five Permanent Secretaries recruited
	Recruitment of remaining six ongoing
Trained civil servants and provision of legal and expert assistance to PISG and municipalities	Large-scale training of doctors and nurses, Institute of Public Health, Kosovo Blood Transfusion Centre and the Institution of Occupational Health reorganized

Established municipal budgetary and financial management services	Training of staff and mentoring of municipal officials in progress
Comments: The key event during 2001-2002 was the Kosovo-wide general election in November 2001, which led to the formation of a multi-ethnic Kosovo Assembly and the formation of PISG.	

Expected accomplishments	
1.2. Increase returns, reintegration, freedom of movement and resolution of property rights	
Indicators of achievement	*Actual accomplishments*
Sustainable returns to places of origin within Kosovo	Trend reversed and inflow of minority families exceeded outflow Approximately 1,000 persons returned to Kosovo
Increased freedom of movement for minorities	Still substantive problems, but general improvement in security and tolerance of the majority population has increased opportunities for the movement of minorities
Increased number of missing persons identified	Office of Missing Persons and Forensics created in the Department of Justice, consolidating all missing person entities
Output type	*Actual outputs*
Facilitated programme for returns	Office of Returns established in the Office of the Special Representative of the Secretary-General in November 2001 Advisory Board on Returns established Donor meeting organized in conjunction with the Office of the United Nations High Commissioner for Refugees
The Special Representative of the Secretary-General approved policy and legislation on the integration of minorities	Right to Sustainable Returns document launched by the Special Representative of the Secretary-General, followed by the establishment of five regional, 24 municipal and 12 ad hoc working groups on returns Strategy of Joint Principles, outlining the right of all internally displaced persons to return, prepared by the Office of Returns and Communities and signed by the Prime Minister

Forensic work conducted in furtherance of resolving missing persons cases	75 alleged grave sites examined and 135 bodies exhumed 174 examinations of remains conducted
Weapons amnesty conducted	One programme implemented in conjunction with the Kosovo Force (KFOR) 1,466 weapons and 49,335 ammunition rounds of various types surrendered
Comments: During 2001-2002 UNMIK has concentrated its efforts on establishing the necessary organizations and political support in Kosovo and Serbia to facilitate the process of returns and the exhumation and identification of missing persons.	

Expected accomplishments	
1.3. Ensure a fair and just legal system in Kosovo	
Indicators of achievement	*Actual accomplishments*
Established independent impartial and multi-ethnic judiciary	Two reports of the Organization for Security and Cooperation in Europe noting improvements in the justice system published
Average detention from arrest to judgement meets European standards	Achieved; 50 per cent are in detention less than one month, 30 per cent less than three months, 20 per cent are detained for over six months
Prison security and conditions are in accordance with European standards	Prisons now meet most European standards for prisoners, but security remains below European standards
Hearing of ethnic-based crime cases	Sensitive cases are now being heard, but with the involvement of international judicial personnel
Output type	*Actual outputs*
Ensured ethnic diversification of local judiciary	Created specialized unit in the Department of Justice, which resulted in minority representation increasing to 7 per cent
Facilitated return of Kosovars removed to Serbian prisons in 1999	157 prisoners returned and processed
Operated and managed comprehensive prison service with seven prisons	Kosovo Prison Service managed increase in prison population from 605 to 954 Four audits carried out by the Swiss Prison Administration indicate good progress

Expanded prison facilities	Special Secure Unit of 40 category A prison cells and two prison blocks of 320 cells opened International correctional officers were also brought in to manage the prisons owing to the shortage of skilled and experienced local staff
Investigations into judicial misconduct by local judges	56 investigations completed into judicial and prosecutorial misconduct by Judicial Inspection Unit
Serious/ethnic cases heard by international judges	85 cases by international judges and prosecutors completed
Comments: 2001-2002 has seen the expansion of the international judiciary in response to the inability of local judges to hear cases concerning ethnic and war-related crimes and organized crimes without bias.	

Expected accomplishments	
1.4. Increased economic development	
Indicators of achievement	*Actual accomplishments*
Sound institutional and legal basis for a market economy: balanced budget; efficient public utilities; progress on privatization	Central Fiscal Authority produced a balanced KCB for 2002 Reliability and quality of public utilities improved, although still unable to meet the demand, particularly in winter Legislation passed to establish the Kosovo Trust Agency (KTA)
Output type	*Actual outputs*
Enhanced tax revenue	Value added tax and customs duty collected throughout the year
Electricity supply assured	Major programme of repair and maintenance carried out at the two power stations and to the electrical infrastructure to improve supply
Privatization started under the Kosovo Trust Agency	Legal basis for the establishment of KTA completed
Comments: The Special Representative of the Secretary-General is responsible for policy approval and oversees strategic planning. The European Union remains responsible for implementation.	

Component 2: Civilian Police

Expected accomplishments	
2.1. Ensure public law and order	
Indicators of achievement	*Actual accomplishments*
Reduction in serious crimes	Public policy of no tolerance on crime 29,111 crimes were reported with a clearance rate of 25 per cent Civilian Police criminal intelligence unit and organized crime bureau set up to combat terrorism and serious crime
Output type	*Actual outputs*
Number of police patrols and checkpoints	The Civilian Police have conducted 187,023 vehicle and 60,095 foot patrols jointly with Kosovo Police Service officers and 11,161 joint patrols with KFOR 66,605 temporary vehicle checkpoints were established under Civilian Police supervision Special Police Units conducted 642 crowd control tasks and 450 VIP escorts, 905 protections tasks (including witness protection) and security at Pristina Airport
Number of criminal investigations	7,391 cases were successfully concluded
Comments: In addition to routine police duties, the Civilian Police have provided close protection for political meetings and the movement of VIPs, including international judges and prosecutors. Special Police Units have reacted to establish order during violent demonstrations and secured venues for political meetings. The Border Police have provided security for immigration and customs officers and border post security. Priority has been given to the establishment of police intelligence units to combat organized crime and terrorist threats.	

Expected accomplishments	
2.2. Progress towards a self-sustaining Police Force	
Indicators of achievement	*Actual accomplishments*
Kosovo Police assume responsibility for substantive police functions	Transfer of responsibility not planned during this period The Kosovo Police Service did undertake greater responsibility for vehicle and foot patrols in all areas
Representation of minorities and women in deployment and management positions within the Kosovo Police Service	15.4 per cent of the Kosovo Police Service is drawn from minority communities 16 per cent of the Kosovo Police Service staff are female
Police stations taken over by the Kosovo Police Service	No complete transfer this period Partial functions only
Output type	*Actual outputs*
The number of mentored and trained local police	4,500 Kosovo Police under supervision and receiving on-the-job training
Comments: The Civilian Police have continued to place more responsibility in the hands of the Kosovo Police Service as experience and competence is built in routine police work. There has been a marked increase in the Service's being responsible for local policing and traffic management.	

Component 3: Support

Expected accomplishments	
3.1. Increase efficiency and effectiveness in supporting the Mission	
Indicators of achievement	*Actual accomplishments*
High level of surveyed satisfaction with support by client offices	Surveys of client offices indicated a high level of satisfaction
Output type	*Actual outputs*
Local staff recruited	424
International staff recruited	233
Monitoring and cost control reports	24
Financial reports	12
Maintained vehicle fleet	2,936

Local payments	2,605
Purchase orders issued	799
Contract awards (including 19 contract extensions)	153
Information technology service support	Daily during the year
Information technology connection upgrades	100Mbps links and 34 sub-networks installed
Communications service support	Daily during the year
Renovation of premises	37
Constructions	34
	These projects included: relocation of the Mission headquarters, relocation of the Division of Administration to a prefabricated complex, construction of two Border Police posts, morgue for missing persons at Rahovac, Gnjilane Administration headquarters
Maintained premises	163 locations (around 125,000 m^2)
Trained personnel	2,745
Transported staff and goods (truck km)	852,273 km
Security and close protection services	Daily during the year
Medical clinics operational and nursing facility	A 12-bed Health Centre and 4 regional clinics
Aviation safety reports	71
Flight hours for transportation of personnel, supplies, or equipment	985 hours

Comments: The Division of Administration provided the Mission with comprehensive administrative and logistic support. This included recruitment of civilian international staff for Pillars I and II. Close protection was provided to two high-level Mission personnel. Although the Mission area is relatively small, the number of locations and the diversity of functions placed heavy demands on the United Nations information technology and communications networks.

II. Resource performance

A. Financial resources

(Thousands of United States dollars. Budget year is 1 July 2001 to 30 June 2002.)

			Variance	
	Apportionment	*Expenditures*	*Amount*	*Percentage*
Category	*(1)*	*(2)*	*(3) = (1) – (2)*	*(4) = (3)/(1)*
Military and police personnel				
Military observers	1 245.9	1 235.0	10.9	0.9
Military contingents	3 740.8	3 677.0	63.8	1.7
Civilian Police	99 480.7	102 286.0	(2 805.3)	(2.8)
Formed police units	20 482.4	18 334.0	2 148.4	10.5
Civilian personnel				
International staff	165 916.4	135 463.0	30 453.4	18.4
National staff	51 082.5	40 892.0	10 190.5	19.9
United Nations Volunteers	9 714.8	8 420.0	1 294.8	13.3
Operational costs				
General temporary assistance	141.6	468.0	(326.4)	(230.5)
Government-provided personnel	—	—	—	—
Civilian electoral observers	—	—	—	—
Consultants	153.0	140.0	13.0	8.5
Official travel	1 395.6	1 436.0	(40.4)	(2.9)
Facilities and infrastructure	20 958.3	20 046.0	912.3	4.4
Ground transportation	6 591.8	6 404.0	187.8	2.8
Air transportation	4 552.2	4 002.0	550.2	12.1
Naval transportation	—	—	—	—
Communications	5 413.2	7 462.0	(2 048.8)	(37.8)
Information technology	2 028.2	3 003.0	(974.8)	(48.1)
Medical	1 117.0	847.0	270.0	24.2
Special equipment	71.8	116.0	(44.2)	(61.6)
Miscellaneous supplies, services and equipment	5 913.8	6 017.0	(103.2)	(1.7)
Quick-impact projects	—	—	—	—
Gross requirements	**400 000.0**	**360 248.0**	**39 752.0**	**9.9**
Staff assessment income	26 495.2	25 989.0	506.2	1.9
Net requirements	**373 504.8**	**334 259.0**	**39 245.8**	**10.5**
Voluntary contributions in kind (budgeted)	—	—	—	—
Total requirements	**400 000.0**	**360 248.0**	**39 752.0**	**9.9**

B. Other income and adjustments

Category	*Amount (Thousands of US dollars)*
Interest income	7 623.0
Other/miscellaneous income	1 478.0
Voluntary contributions in cash	—
Prior period adjustments	—
Savings on or cancellation of prior-period obligations	14 773.0
Total	**23 874.0**

C. Contingent-owned equipment: major equipment and self-sustainment

Category	*Expenditure (Thousands of US dollars)*
Major equipment	**3 677.0**
Self-sustainment	
Office	70.0
Miscellaneous general stores	195.0
Laundry and cleaning	65.0
Communications	370.0
Medical	220.0
Observation	116.0
Subtotal	**1 036.0**
Total	**4 713.0**

III. Analysis of variances[1]

	Variance	
Civilian Police	($2,805.3)	(2.8%)

5. The additional requirements were attributable to the accelerated recruitment of Civilian Police. The actual vacancy rate of 4 per cent was lower than the vacancy rate of 5 per cent applied to the budget.

	Variance	
Formed police units	$2,148.4	10.5%

6. The unspent balance resulted from lower travel costs. The actual cost of $590 per person was lower than the estimated cost of $1,700 applied in the budget owing

[1] Resource variance amounts are expressed in thousands of United States dollars.

to the use of charter flights by commercial means or letters of assist with Member States.

	Variance	
International staff	$30,453.4	18.4%

7. Staff were employed at lower levels than budgeted and payment of hazard allowances was progressively withdrawn from all but one region in the Mission area. Additionally, owing to the process of relinquishing staff in Pillar II (Civil Administration) and recruiting new staff for Pillar I (Police and Justice), the actual vacancy rate for international staff during the reporting period averaged 11 per cent. This rate was higher than the vacancy rate of 5 per cent applied to the budget, resulting in lower resource requirements.

	Variance	
National staff	$10,190.5	19.9%

8. The vacancy rate of 9 per cent was higher than the vacancy rate of 2 per cent applied to the budget, resulting in lower resource requirements. The unspent balance was also due to the progressive withdrawal of hazard allowances from all but one region in the Mission area.

	Variance	
United Nations Volunteers	$1,294.8	13.3%

9. The unspent balance was due to the progressive withdrawal of hazard allowances from all but one region in the Mission area.

	Variance	
General temporary assistance	($326.4)	(230.5%)

10. As a result of the return of surplus UNMIK vehicles and equipment to the United Nations Logistics Base at Brindisi, additional resources were needed to meet surge capacity requirements relating to the receipt and inspection of the surplus assets.

	Variance	
Consultants	$13.0	8.5%

11. The unspent balance was due to lower than anticipated costs for employment of two local consultants for a period of 10 months to provide expertise on the issue of missing persons and two consultants for a period of six months to carry out specialized economic and technical analysis and review.

	Variance	
Facilities and infrastructure	$912.3	4.4%

12. The unspent balance was due to re-prioritization of funds to cover additional requirements in information technology and communications.

	Variance	
Ground transportation	$187.8	2.8%

13. The non-purchase of 10 minibuses, owing to the non-award of a suitable systems contract at Headquarters, resulted in lower requirements under this heading.

	Variance	
Air transportation	$550.2	12.1%

14. The unspent balance was attributed to the following factors: the IL-76 aircraft was not required for emergency re-supply of UNMIK; lower actual usage than estimated of the AN-26 fixed-wing aircraft and the insurer's waiver of the requirement for war risk insurance for the two United Nations helicopters operating in Kosovo.

	Variance	
Communications	($2,048.8)	(37.8)

15. The additional requirements were attributed to the engagement of additional communication experts to assist with the increasing maintenance and operational problems associated with the communications and information technology networks providing services to the police and Civil Administration throughout Kosovo.

	Variance	
Information technology	($974.8)	(48.1%)

16. The additional requirements resulted from the need to increase network security and expansion of data storage and server capacity within the Mission to meet higher than expected demand.

	Variance	
Medical	$270.0	24.2%

17. The unspent balance was attributed to lower than anticipated medical cases and evacuations for UNMIK personnel.

	Variance	
Special equipment	($44.2)	(61.6%)

18. The additional requirements were due to the increase in reimbursement rates for self-sustainment, which became effective 1 July 2001 and were approved by the General Assembly in its resolution 55/274 of 14 June 2001.

	Variance	
Miscellaneous supplies, services and equipment	($103.2)	(1.7%)

19. The additional requirements resulted from losses on the United Nations rate of exchange.

IV. Actions to be taken by the General Assembly

20. **The actions to be taken by the General Assembly in connection with the financing of UNMIK are:**

(a) **A decision on the treatment of the unencumbered balance of $39,752,000 with respect to the period from 1 July 2001 to 30 June 2002;**

(b) **A decision on the treatment of other income and adjustments for the period ended 30 June 2002, amounting to $23,874,000 and consisting of interest income ($7,623,000), other/miscellaneous income ($1,478,000) and savings on or cancellation of prior-period obligations ($14,773,000).**